

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1435 - SB 1711**

January 26, 2016

**SUMMARY OF BILL:** Requires all local education agencies (LEAs) to provide remedial programs, such as the Seamless Alignment and Integrated Learning Support program (SAILS), for students in their senior year of high school who are not college ready in the subjects of English language arts and mathematics as determined by their ACT scores. Requires LEAs to begin to conduct remedial programs in the 2017-2018 academic year.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$3,600,000/One-Time  
\$5,946,000/Recurring**

Assumptions:

- LEAs will utilize the state's SAILS program, rather than forming their own, new programs.
- The SAILS program is free to LEAs that currently utilize it and is paid for from state appropriations totaling \$2,500,000 in the FY16-17 budget.
- Expanding the current SAILS program will require additional state funding.
- Based on information from Chattanooga State Community College (CSCC) where the SAILS program is headquartered, expansion of the SAILS program statewide will require two additional administrators; a recurring increase in state expenditures of \$126,000 (\$63,000 per position x 2 positions); two directors of operations, one for West Tennessee and one for Middle Tennessee; a recurring increase in state expenditures of \$168,000 (\$84,000 per position x 2 positions); and 71 new field coordinators; a recurring increase in state expenditures of \$4,970,000 (\$70,000 per coordinator x 71 positions).
- The total recurring increase in state expenditures for new personnel is estimated to be \$5,264,000 (\$126,000 + \$168,000 + \$4,970,000).
- CSCC has estimated other state recurring expenditures for non-personnel related expenditures. These include expenditures for software maintenance of \$30,000; wireless communications for computer labs of \$32,000; other related hardware of \$20,000; annual professional development and ongoing school support for SAILS classrooms of \$500,000; and miscellaneous costs such as materials, supplies, and postage of \$100,000.
- The recurring increase in state expenditures for non-personnel expenditures is estimated to be \$682,000 (\$30,000 + \$32,000 + \$20,000 + \$500,000 + \$100,000).

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- The total recurring increase in state expenditures is estimated to be \$5,946,000 (\$5,264,000 + \$682,000).
- Based on information from the Tennessee Board of Regents and the Comptroller's Office of Research and Education Accountability, statewide expansion of SAILS will require an additional 300 mobile computer labs at a cost of \$12,000 per lab. The one-time increase in state expenditures for additional computer labs is estimated to be \$3,600,000 (\$12,000 x 300).
- The SAILS program will be funded entirely by the state; therefore there will be no fiscal impact on local governments.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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